## AMENDED IN ASSEMBLY JUNE 13, 2005 AMENDED IN SENATE APRIL 12, 2005 AMENDED IN SENATE MARCH 29, 2005

**SENATE BILL** 

No. 254

## Introduced by Senator Torlakson (Coauthors: Senators Chesbro and Kuehl)

(Coauthors: Assembly Members Jones and Leno)

February 15, 2005

An act to amend Sections 7076, 7086, 7097, and 7107 of, and to add Section 7114.2 to, the Government Code, and to amend Sections 17053.34, 17053.46, 17053.47, 23622.8, 23634, and 23646 of the Revenue and Taxation Code, relating to economic development. An act to add Section 11005.4 to the Government Code, relating to state property.

## LEGISLATIVE COUNSEL'S DIGEST

SB 254, as amended, Torlakson. Economic development. State property: vending machines.

Existing law regulates various aspects of the provision of food and beverages in vending machines, including access to carbonated beverages at schools, the giving of priority to blind persons with respect to the operation of vending facilities on state property, the sanitation of vending machines and requiring public health permits, and the placement of vending machines in safety roadside rests on the state highway system.

This bill would require each vendor that operates or maintains vending machines on designated state property to satisfy a specified phased-in requirement that at least 25% of the food and beverages offered in the vending machine meets accepted nutritional guidelines,

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as defined, by December 31, 2006, and 50% by December 31, 2007, or under specified conditions, by December 31, 2009, and to provide to users, upon request, information about the nutritional value of food and beverages offered in the vending machine and procedures for requesting a change in vending machine offerings.

The Enterprise Zone Act prescribes the duties and responsibilities of the Department of Housing and Community Development in connection with the establishment of enterprise zones and manufacturing enhancement areas and authorizes the department and local governments to charge and collect fees in connection with the act and to assess each enterprise zone a fee of not more than \$10 for each application it accepts for the issuance of a specified tax certificate issued by a local government.

Existing law also requires the Department of Housing and Community Development to administer the targeted tax area program and to rank and designate applicant communities that meet specified eriteria as targeted tax areas. Existing law also requires the department to administer the Local Agency Military Base Recovery Act and to designate a military base or a former military base as eligible to be a local agency military base recovery area (LAMBRA).

This bill would authorize the department to charge a fee in connection with the costs of administering provisions relating to the targeted tax area program and the Local Agency Military Base Recovery Act and would also require the department, until July 1, 2009, to also assess an enterprise zone, a manufacturing enhancement area, a targeted tax area, and a local agency military base recovery area (LAMBRA) the same fee of not more than \$10, as specified above.

The bill would also require the department to develop regulations for the issuance of these tax certificates and would also make other conforming and technical changes to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 11005.4 is added to the Government
- 2 Code, to read:
- 3 11005.4. (a) For purposes of this section, the following terms
- 4 have the following meanings:

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(1) "Accepted nutritional guidelines" as used in this section means the following:

- (A) Beverages that are the following or meet the following standards:
  - (i) Water.

- (ii) Milk, including, but not limited to, chocolate milk, soy milk, rice milk, and other similar dairy or nondairy milk.
- (iii) Electrolyte replacement beverages that do not contain more than 42 grams of added sweetener per 20 ounce serving.
  - (iv) One hundred percent fruit juice.
- (v) Fruit-based drinks that are composed of no less than 50 percent fruit juice and that have no added sweeteners.
  - (B) Food that meets the following standards:
- (i) Not more than 35 percent of its total calories are from fat. This clause does not apply to nuts or seeds.
- (ii) Not more than 10 percent of its total calories are from saturated fats.
- (iii) Not more than 35 percent of its total weight is from sugar. This clause does not apply to fruits and vegetables.
- (2) "Added sweetener" means any additive that enhances the sweetness of a beverage, including, but not limited to, added sugar, but does not include the natural sugar or sugars that are contained within the fruit juice that is a component of the beverage.
- (3) "State property" as used in this section means all real property, or part thereof, used for state purposes and either owned, leased, rented, or otherwise controlled by, and occupied by, any state agency, including the California State University.
- (4) "Vending machine" means any mechanical device the operation of which depends upon the insertion of a coin or other thing representative of value and that dispenses or vends a food product or beverage.
- (b) Each vendor that operates or maintains a vending machine on state property shall do both of the following:
- (1) (A) Satisfy the requirement that at least 50 percent of the food and 50 percent of the beverages offered in vending machines on state property meet accepted nutritional guidelines.
- (B) The requirement described in subparagraph (A) may be phased-in so that 25 percent of items meet accepted nutritional guidelines by December 31, 2006, and that 50 percent of total

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items offered in vending machines meet specified nutritional standards by December 31, 2007.

- (C) The phase-in period described in subparagraph (B) may be extended until December 31, 2009, if both of the following conditions are met:
- (i) No earlier than July 1, 2007, and no later than December 31, 2007, the vendor conducts, and submits to the contracting entity, a survey of consumers who work in or visit the property on which a vending machine or machines is located.
- (ii) A majority of respondents to the survey indicate that they would prefer that less than 50 percent of the food and beverages offered in the vending machine or machines meet accepted nutritional guidelines.
- (2) Provide to users, upon request, information about the nutritional value of food and beverages offered in the vending machine and procedures for requesting a change in vending machine offerings. Attaching this information to the exterior of the vending machine shall be deemed to satisfy the requirements of this paragraph.

SECTION 1. Section 7076 of the Government Code is amended to read:

All matter omitted in this version of the bill appears in the bill as amended in the Senate, April 12, 2005. (JR11)